



MICA, WASHINGTON 99023 / 509-924-2120

February 7, 1985

Pamala Grubaugh - Littig  
State of Utah - Natural Resources  
4241 State Office Building  
Salt Lake City, Utah 84114

This letter is in response to our telephone conversation regarding the status of our mine properties, operating permits and the annual reports (MR-3) requested by your office.

As I mentioned, permit applications for our active mines in the State of Utah were filed with your office in 1977. As part of the application process forms MR-1, Notice of Intention to Commence Mining Operations, MR-2, Mining and Reclamation Plan and MR-8, Commitment to Rule M-10 were completed and filed. As part of this process a couple of variances to specific regulations were requested on our part. The variances were then handled on a site specific basis by your office. Some were allowed, others were not allowed. There is a note in my file at this point stating, that, since all applications had been filed on a timely basis and that all requested variances had now been addressed and resolved, operating permits would soon be issued. Unfortunately, that was the end of the correspondence. The permits never were issued.

In the meantime, a number of corporate organizational changes have occurred with Interpace and our file should be updated accordingly. The applications were filed in 1977 by Interpace Corporation, a Delaware Corporation, with corporate offices in Parsippany, New Jersey, and a division office in Seattle, Washington. In August 1983 Interpace Corporation was purchased by Clevepak. At this time, we operated under the Interpace Corporation name, but were in fact a wholly owned subsidiary of Clevepak. In October of 1984 a management group headed by Jon Rhine, as President, purchased the holdings and facilities of the Interpace Corporation subsidiary and formed a new corporation known as Interpace Industries, Incorporated. A current list of corporate and operating officers, addresses and phone numbers is included in Attachment "A" for the purpose of updating your files.

Full cycle surface mining and reclamation is not new to Interpace Industries. Our reclamation plans and activities in other states such as Wyoming and Washington have been very successful and we intend to commit similar resources and efforts toward reclamation of our active mines in Utah. Mining operations in Utah, since the filing of the applications, have been conducted, as closely as possible, to the general procedures and policies outlined in our plans. All of our mines operate on an intermittent basis of every second or third year and reclamation work is always included in the budgeting process.

File ACT/057/0023

And ACT/049/006

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and PAM

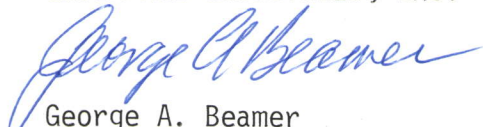
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DIVISION OF OIL  
GAS & MINING

Finally in regard to the annual report (MR-3), per your instructions, we will not complete this form at this time. We will wait for further instructions from your office regarding the permit application process and issuing of permits.

Thank your for your cooperation in this matter.

Sincerely,  
INTERPACE INDUSTRIES, INC.

  
George A. Beamer  
Product Development Engineer

GAB/js